

# House File 348 - Introduced

HOUSE FILE \_\_\_\_\_  
BY GASKILL

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for a business property tax credit for property  
2 taxes due, making appropriations, and including effective and  
3 applicability date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2069HH 82  
6 mg/cf/24

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1 1 Section 1. NEW SECTION. 426C.1 BUSINESS PROPERTY TAX  
1 2 CREDIT == FUND == APPORTIONMENT == PAYMENT.  
1 3 1. A business property tax credit fund is created. There  
1 4 is appropriated from the general fund of the state to the  
1 5 department of revenue to be credited to the business property  
1 6 tax credit fund for the fiscal year beginning July 1, 2007,  
1 7 the sum of fifty million dollars and for each fiscal year of  
1 8 the fiscal period beginning July 1, 2008, and ending June 30,  
1 9 2013, the sum of two hundred million dollars.  
1 10 The director of the department of administrative services  
1 11 shall issue warrants on the business property tax credit fund  
1 12 payable to the county treasurers of the several counties of  
1 13 the state under this chapter.  
1 14 2. The business property tax credit fund shall be  
1 15 apportioned each year so as to give a credit against the tax  
1 16 on each eligible business property in the state in an amount  
1 17 equal to the actual levy on the actual value for each business  
1 18 property.  
1 19 3. The amount due each county shall be paid in two  
1 20 payments on November 15 and March 15 of each fiscal year,  
1 21 drawn upon warrants payable to the respective county  
1 22 treasurers. The two payments shall be as nearly equal as  
1 23 possible.  
1 24 4. The amount of credits shall be apportioned by each  
1 25 county treasurer to the several taxing districts as provided  
1 26 by law, in the same manner as though the amount of the credit  
1 27 had been paid by the owners. However, the several taxing  
1 28 districts shall not draw the funds so credited until after the  
1 29 semiannual allocations have been received by the county  
1 30 treasurer, as provided in this chapter.  
1 31 Sec. 2. NEW SECTION. 426C.2 DEFINITION.  
1 32 "Business property", as used in this chapter, means  
1 33 property assessed for property taxation as commercial and  
1 34 industrial real estate, except for property intended for human  
1 35 habitation.  
2 1 Sec. 3. NEW SECTION. 426C.3 COMPUTATION BY AUDITOR.  
2 2 On or before May 15, the county auditor shall compute the  
2 3 amount of property taxes to be levied on or estimated to be  
2 4 levied on all business property eligible for the business  
2 5 property tax credit which are due and payable in the ensuing  
2 6 fiscal year and on or before May 15 shall certify the total  
2 7 amount to the department of revenue.  
2 8 Sec. 4. NEW SECTION. 426C.4 WARRANTS AUTHORIZED BY  
2 9 DIRECTOR.  
2 10 After receiving from the county auditors the certifications  
2 11 provided for in section 426C.3, and during the following  
2 12 fiscal year, the director of revenue shall authorize the  
2 13 department of administrative services to draw warrants on the  
2 14 business property tax credit fund payable to the county  
2 15 treasurers as provided in section 426C.1. However, if the  
2 16 balance in the business property tax credit fund is  
2 17 insufficient to pay in full the total of the amounts certified  
2 18 to the director of revenue, the director shall prorate the  
2 19 moneys in the fund for distribution to the county treasurers

2 20 and notify the county auditors of the pro rata percentage on  
2 21 or before June 15.

2 22 Sec. 5. NEW SECTION. 426C.5 APPORTIONMENT BY AUDITOR.

2 23 Upon receiving the pro rata percentage from the director of  
2 24 revenue, the county auditor shall determine the amount to be  
2 25 credited to each parcel of business property, and shall enter  
2 26 upon tax lists as a credit against the tax levied on each  
2 27 parcel of business property on which there has been made an  
2 28 allowance of credit before delivering said tax lists to the  
2 29 county treasurer. Upon receipt of the warrant by the county  
2 30 auditor, the auditor shall deliver the warrant to the county  
2 31 treasurer for apportionment. The county treasurer shall show  
2 32 on each tax receipt the amount of tax credit for each parcel  
2 33 of business property. In case of change of ownership, the  
2 34 credit shall follow the title.

2 35 Sec. 6. NEW SECTION. 426C.6 RULES.

3 1 The director of revenue shall prescribe forms and rules,  
3 2 not inconsistent with this chapter, necessary to carry out its  
3 3 purposes.

3 4 Sec. 7. EFFECTIVE AND APPLICABILITY DATES. This Act,  
3 5 being deemed of immediate importance, takes effect upon  
3 6 enactment and applies to property taxes due and payable in  
3 7 fiscal years beginning on or after July 1, 2007.

3 8 EXPLANATION

3 9 This bill provides business property with a property tax  
3 10 credit. Business property is real estate that is assessed as  
3 11 commercial and industrial property, except for property used  
3 12 for human habitation. The credit is equal to the entire  
3 13 amount of the property tax levied on the property. However,  
3 14 if the appropriations provided are insufficient to pay the  
3 15 full amount of the credit, a pro rata amount will be granted  
3 16 to the owner of the business property.

3 17 The bill appropriates \$50 million for FY 2007=2008 and \$200  
3 18 million for each of the next five fiscal years until FY 2012=  
3 19 2013.

3 20 The bill takes effect upon enactment and applies to  
3 21 property taxes due and payable in fiscal years beginning on or  
3 22 after July 1, 2007.

3 23 LSB 2069HH 82

3 24 mg:nh/cf/24